

Minutes of the Human Resources Committee

Tuesday, June 17, 2014

Chair Zimmermann called the meeting to order at 1:01 p.m.

Present: Supervisors Dave Zimmerman, Mike Crowley, Jeremy Walz, Pauline Jaske, Jennifer Grant, Christine Howard, and Larry Nelson.

Also Present: Chief of Staff Mark Mader, Programs & Projects Analyst Windy Jicha, Corporation Counsel Tom Farley, Human Resources Manager Jim Richter, Employee Benefits Administrator Pete Hans, Senior Human Resources Analyst Renee Gage, and Principal Human Resources Analyst Terri Sgarlata-Lutz. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of May 20

MOTION: Crowley moved, second by Walz to approve the minutes of May 20. Motion carried 7-0.

Chair's Executive Committee Report of June 16

Zimmermann highlighted the following items discussed at the last Executive Committee meeting.

- Approved several appointments.
- Approved an ordinance to increase the dollar threshold for non-cash donations that must be approved by the County Board.
- Reviewed the Museum report on financial viability as prepared by Department of Administration staff and approved paying the museum a monthly amount as previously agreed.
- Heard a presentation on cyber security and efforts to secure County systems.
- Heard standing committee reports.

Schedule Next Meeting Date

- July 15

Educational Overview of the Corporation Counsel's Office

Farley said their 2014 budget is about \$4 million with \$2.5 million budgeted in the Child Support (CS) Division and \$1.5 million in the Corporation Counsel's (CC) Office. About \$350,000 in the CS budget is County tax levy and a similar amount of State GPR revenues are in the CC budget. Farley noted the GPR revenues are earned federal funds. There are a total of 38 positions, of which 29 of them are in CS. CS is federal, state and county program to enforce child support obligations of non-custodial parents for the majority of individuals eligible for state or federal assistance and others who apply for the program. CS is involved in 52% of the family law cases filed in Waukesha County. The focus of the CS program is to ensure both support and medical coverage for children to avoid federal and state welfare-type programs. Farley said this is a successful program primarily because of the staff and because Waukesha is an affluent county. He explained the program in detail including state GPR revenues and federal incentive payments, a pay for performance-type element.

The CC Office has nine staff members including 5.5 employees who work in the area of human services and funded by the Health & Human Services Department totaling about \$400,000 annually. This involves court services in the areas of mental health, crises including guardianships,

enforcement, and juvenile issues such as termination of parental rights (TPR). The remaining 3.5 employees handle legal work and provide legal advice to County departments based on laws/statutes. The office reviews, approves and drafts about 300 contracts each year; handles litigation of which county may be involved; does a large amount of real estate work such as highway condemnations and park acquisitions; zoning enforcement; and collections. Farley noted about \$150,000 of the CC budget is set aside for outside legal counsel for specialized work.

Zimmermann asked what their biggest challenge was. Farley said shrinking resources and funding. Unemployment is still a big issue and affects the CS Division. Also, the CC Office is currently experiencing a staffing shortage although he believes this is a short-term issue. Mader added that the CC Office plays a large role in the ordinance process.

Educational Presentation on the Compensation and Pay for Performance System

Richter discussed the County's compensation system which was developed to attract and retain qualified and experienced employees. The compensation system was established to fit within the County's fiscal policies. The compensation system results in long-term savings for the County while allowing for recognition and growth for employees. Since the 1980's the County has used the Hay system (international) for evaluating jobs and while we still use this method we are moving towards a market-based system.

Richter said prior to Act 10 there were seven collective bargaining units covering 1,000+ employees plus there were approximately 450 non-union employees. Act 10 eliminated collective bargaining and the County needed to transition seven different compensation structures and benefit plans into one consistent plan and approach. Modifications were then made to the County's overtime policy and the disability pay policy which have saved the County money.

In 2012 a total compensation study was conducted which compared County salary and benefits to both the public and private sectors. New compensation structures were then developed based on market analyses and approved by the County Board. Overall, the total compensation of County employees is behind both the public and private sectors. County benefits are at or below the other public sector organizations in the study. The benefit comparison with the private sector suggests County benefits are slightly ahead of the private sector.

The Pay for Performance System is a strong business approach and rewards are at a smaller scale than the private sector.

Richter explained the three salary structures: Step, Open, and Medical. Ranges were established based on market analysis through the study and they are adjusted annually through approved across-the-board increases. The long-term objective is to move employees from the Step to Open System beginning with professional positions.

The Step System covers classifications which are non-exempt and were traditionally covered by collective bargaining agreements. There are 15 step ranges and employees can take up to 14 years to reach the maximum range. Each step involves a 2% salary increase. Movement through the range requires a performance evaluation of effective or greater.

The Open System applies to department heads, managers, supervisors and most professional positions. Ranges consist of a minimum, midpoint, and maximum. A typical scenario takes an

employee 20+ years to reach the maximum of the range. Movement through the ranges is solely based on an employee's performance. Employees are eligible for an across-the-board increase only if they have an effective or greater performance review. Employees are eligible for a base and non-base increase if their performance evaluation is commendable or greater. Zimmermann commented on differences between the County's system and the system he's seen in the private sector.

The Medical System applies to the County's medical examiner, clinical director, psychiatrists, pathologists, etc. which are very unique and market driven.

Richter reviewed the Pay for Performance System which began in 1997 and rewards employees for achievements. All employees are required to have an annual performance evaluation. If an employee is below the midpoint of the range they are eligible for a base increase of 0-2% and a one time non-base performance award of 0-2%. If an employee is above the midpoint range they are eligible for a base increase of 0-1% and/or a one-time non-base performance award of 0-4%. If an employee is at the maximum of the range they are eligible for a one-time non-base performance award of 0-3%. Supervisors conduct the performance evaluations and makes pay recommendations and department heads review the recommendations and make changes to ensure consistency across their departments. Human Resources reviews the department head recommendations to ensure consistency across the County. The County Executive reviews the final recommendations and approves or modifies. Human Resources conducts annual audits of the evaluations. A detailed report on performance awards is presented to the Human Resources and Finance committees annually. Sgarlata-Lutz went on to highlight the 2013 report.

Educational Presentation on Employee Benefits and Related Employee and Employer Costs

Richter gave an overview of the County's compensation and benefits system including philosophy and policy, historical information, total compensation study, current compensation structure, pay for performance, post-employment benefits, and employee benefits.

Crowley left the meeting at 2:43 p.m.

Current benefits include health and dental insurance, pension, sick leave (earn one day per month up to 120 days), nine paid holidays per year, two "floating" holidays per year, funeral leave (up to three days), paid vacation (up to five weeks maximum per year), retirement health savings account, tuition assistance, life insurance, and long-term disability insurance.

The County offers employees their choice of two health insurance plans: a high deductible health plan (HSA) and a Point of Service plan (Choice Plus). The County is self-funded and UnitedHealth Care is the third party administrator. The County purchases stop loss coverage to address large claim exposure. Employees pay a portion of the premium: 10% for the HSA plan and 15% or 20% for the Choice Plus plan. The amount paid by the employees and County is determined by whether the employee participates in the health assessment program. The County's philosophy is to make continual changes to health plan designs on a regular basis and cost sharing.

The County offers employees their choice of two dental plans: a traditional fee-for-service plan administered by Delta Dental and a dental HMO plan administered by Anthem-DentaCare. The County pays 90% of the least expensive dental plan (Delta). If an employees chooses the more expensive plan, they are responsible for the additional costs.

The County participates in the Wisconsin Retirement System. The cost for employees in the general pension category are shared equally. For 2014, the County is contributing 7% and the employees 7%. For protective service employees (law enforcement), contributions are determined through collective bargaining. Beginning in 2014, protective service employees contribute the same percentage as general pension employees.

Grant suggested implementing a spousal surcharge for spouses of employees who are employed elsewhere and have access to health insurance through their own employer. Richter said this should be discussed with the County's actuary.

MOTION: Jaske moved, second by Walz to adjourn at 3:20 p.m. Motion carried 7-0.

Respectfully submitted,

Jennifer Grant
Secretary